



News from

Congressman Ron Kind

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CONGRESSIONAL DISTRICT

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Kind, Flake Introduce Bill Mirroring Bush's Farm Payment Cap Plan

Subsidy caps would save \$1.2 billion over 10 Years; Even the playing field for small family farms

Washington, DC – U.S. Reps. Ron Kind (D-WI) and Jeff Flake (R-AZ) introduced legislation today that would limit government payments to a handful of large agribusinesses that routinely take advantage of the federal farm subsidy system to haul in millions of taxpayers' dollars year after year. The bill, which would institute a \$250,000 limitation cap on commodity payments, mirrors legislation offered in the Senate by Senators Grassley and Dorgan (S. 385) and is identical to the Bush Administration's subsidy cap plan in the FY '06 budget proposal.

"Not only is the current system inequitable because it disproportionately awards oversized payments to large agribusinesses at the expense of small family farms, it is also costly at a time when Congress needs to be clamping down on spending," said Rep. Ron Kind. "During a time of worsening deficit spending, paring down excessive overpayments to large corporate farms is a commonsense measure that will produce \$1.2 billion savings over 10 years. In light these budget realities, and the gross inequity of the current agriculture subsidy system, I support the President's proposal to do the fiscally responsible thing and cap commodity payments at \$250,000."

The existing cap is set at \$360,000 but is routinely skirted through loopholes within the rules governing farm payments. These loopholes have permitted some of the largest farms, agribusinesses, and corporations to draw millions of dollars from the federal farm subsidy program. Reps. Kind and Flake note that a firm \$250,000 payment limitation would not only save \$1.2 billion in excessive government farm subsidies; it would level the current system where funds flow to the nation's largest farm operators at the expense of the smallest, family farmers.

"At a time when Congress is grappling with budget deficits, capping farm subsidies makes perfect sense," said Rep. Jeff Flake.

In April 2002, a majority of the members of the House of Representatives (265 to 158, Roll Call #100) to instruct Agriculture conferees to enact a real payment cap limitations in the Farm Bill in an effort to reduce the federal budget deficit and inject market forces into the farm economy. The overwhelming, bipartisan support for this motion clearly demonstrates that a vast majority of the Members of the House support this common-sense measure.